

TO: Secretary Paige
FROM: Theresa S. Shaw, Chief Operating Officer, Federal Student Aid
RE: FSA Weekly Report
DATE: March 17, 2003

THE WEEK AHEAD

GAO Briefing: March 17, OCIO and FSA CIO jointly briefed GAO on ED's Enterprise Architecture (EA). The objective is to demonstrate integration through a common architecture across the Department. We plan reported our progress and communicated key aspects of ED's future direction.

IRS/FSA Collections Partnership: The IRS, in preparation for outsourcing the collection of \$200 billion in federal tax debt, has asked FSA Collections to attend a Private Collection Agency "Pre-Bid" Conference on March 19. The conference is planned in preparation for future solicitation to initiate third-party collection efforts on outstanding IRS debts. FSA Collections has had several meetings with IRS officials during the past 12 months, and the IRS is using FSA's collection process as their model.

KEY NEWS

PROGRAM INTEGRITY

Sting Me Once, Shame on Me...: FSA's Atlanta Case Management Team received an application from SABER for initial certification to participate in federal student aid programs. Inconsistencies in the information provided prompted a Department official to visit SABER to inquire about the programs offered. According to the official's observations, there was no "school" at the address identified on the application. It was observed that there was no instruction taking place at the facility, although the catalog indicated classes were in session. In addition, it was noted that the only activity taking place involved the use of six computers to surf the Internet for jobs and/or to update resumes. When the official inquired about the program and the school, staff said there was no such program and SABER was dissolving. This preventative approach diminished the risk to federal dollars and minimized the cost of conducting program reviews and investigations.

Default Recoveries: Total FSA Default Recoveries for FY03 have reached \$630.4 million. Total non-consolidation recoveries are \$474.3 million. These totals are 15% and 34% higher than respective totals through the same period in FY02. Combined Recoveries from our private collection agency efforts have reached \$419.2 million and are up 27% over the same period in FY02.

FY05 Budget: FSA CFO is working with each channel and office to help formulate their budget for FY05. Each area was asked to submit their baseline budget requests by March 31.

STUDENT AID OPERATIONS

Pell Grant Initial Authorization: For the 2003-2004 Award Year, Pell Operations is required by the Higher Education Act to generate an Initial Authorization and notify eligible schools of

this amount by June 1. Some of the Pell Operations staff have been working with the contractor on-site in Georgia over the past couple of weeks, testing the system so the 2003-2004 Award Year will be operational and we will meet our statutory deadline.

Making Do with Less: Beginning April 1, FSA University will have its telephone calls for community training routed through the Customer Service Call Center (CSCC) toll-free number. FSA U. normally pays a contractor \$140,000 a year to handle the calls—which usually are for information and registration. Beginning April 1, and through December 18, FSA U. staff will handle the calls. One of the routing options on CSCC’s automated greeting will be FSA U. During this time, FSA U. staff will be able to use CSCC’s call tracking system, and there will be no additional cost to FSA.

Quick, Responsive Service: At COO Terri Shaw’s “Town Hall” meeting during the Spring Conference, school representatives raised questions about how to use the Common Origination and Disbursement (COD) Web site. With the support of FSA Schools Channel GM Kay Jacks, regional staff members Misty Parkinson, Jody Sears, and Barbara Davis created a presentation (overnight) to fully explain how to use the Web site. The questions arose on March 5 and staff presented the session to about 80 conference participants on March 6.

ED COLLABORATION FOR IT SOLUTIONS

Federal Government Crisis Preparedness: FSA CIO responded to the ED-wide effort to ensure preparedness for a Level One or Level Two crisis. We have identified critical services FSA will continue to provide customers during the 30 days immediately following a crisis. This effort included identification of essential functions and critical information on normal day-to-day operations such as an annual program operations cycle.

GovBenefits: Bids on the project management support Statement of Work (SOW) for “GovBenefits” were due March 14. A contractor is expected to be on board April 1. FSA is working with the Labor Department on a Memo of Understanding (MOU) to support the project. FSA is ED’s sponsor for the GovBenefits e-Gov Website, and the Labor Department is the managing agency. FSA is working with a number of offices across ED to verify program information to be included in the Website. The goal is to have all federal agency programs included on the GovBenefits site by its first anniversary, April 29. Education is working closely with Labor, as well as many ED offices, to meet this objective.

COMMUNITY

Career Schools Meeting: A record 250 people attended the March 9-10, Dallas Regional Advisory Council of Private Career Schools conference, co-hosted by FSA’s Dallas Case Team. The conference was designed to strengthen the relationship between the Case Team and the proprietary schools, which includes business, medical, computer, and cosmetology schools.

ON THE HORIZON

Regional Office Visit: On March 24, COO Terri Shaw is scheduled to visit FSA’s Atlanta regional office. Shaw is scheduled to visit the Boston office on April 15 and New York on April 16.

“FSA for Counselors” Web site: Student Aid Awareness has developed, specifically for middle school, high school, and TRIO counselors, an online information resource about student aid for college and career school. Features include the High School Counselor’s Handbook, federal student aid publications (with instructions on how to print or order them), videoconferences, and scripts and slides for presenting a financial aid night. The site is to go live before March 31. The URL is <http://fsa4schools.ed.gov/counselors>.

CONTACT INFORMATION

Please contact Karen Santos Freeman at 377-4001 with any questions.